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**UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA**

Draney Information Services Corp., WRLJ Maple Corp., and PS Holdings, Inc., Plaintiffs,

Civil No. 2:09-cv-00040- LDG (VCF)

## **JOINT STATUS REPORT**

United States,  
Defendant

United States }  
                  }

Draney Information Services Corp.,  
Counterclaim Defendant

Plaintiffs Draney Information Services Corp., WRLJ Maple Corp., and PSHoldings, Inc. (collectively, “Plaintiffs”) and Defendant United States, pursuant to the Court’s Order of January 12, 2012, submit the following status report to describe their progress towards settlement.

As this Court is aware, Plaintiffs were engaged in discussions with the United States aimed at resolving all of the claims in this case and, on December 1, 2011, Plaintiffs submitted a formal offer of settlement to the Department of Justice. The Chief of the Civil Trial Section, Western Region, has completed his formal

recommendation with respect to Plaintiffs' offer, and that recommendation, along with the trial attorneys' recommendation, have been submitted to the Tax Division's Office of Review (the "Office of Review") for its evaluation and recommendation. Similarly, the Internal Revenue Service also completed its recommendation with respect to the Plaintiffs' offer, and a copy of that recommendation has been provided to the Office of Review. While under evaluation at the Office of Review, the parties agreed to certain revisions and adjustments to the settlement offer and the settlement offer was formally amended on March 28, 2012. The Office of Review has completed its review of the amended settlement offer and during the week of April 9, 2012 it will be forwarded with a favorable recommendation to senior officials at the Department of Justice who have ultimate and final authority to act on the offer. The amended settlement offer is being considered by the Department of Justice along with another settlement offer in a related case pending in the Court of Federal Claims.

Given this status, the parties respectfully request that the Court set a May 9, 2012 deadline for a status report on the continued progress toward a final resolution.

Respectfully submitted,

Dated: April 9, 2012

/s/Kent A. Yalowitz  
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Attorney for Plaintiffs and Counterclaim Defendant

Dated: April 9, 2012

KATHRYN M. KENEALLY  
Assistant Attorney General

ORDER

IT IS SO ORDERED that the date of the next Status Report is May 9, 2012.

/s/Andy R. Camacho  
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DATED this 11 day of April, 2012.

Atorneys for the United States of America

Lloyd D. George  
Sr. U.S. District Judge